

GROUND LEASE

This Ground Lease ("Lease") is made as of this ____ day of _____, 20__, by and between City of Lincoln, a municipal corporation ("City") and Active Living Center Condominium Association, a Nebraska nonprofit corporation ("Association").

WHEREAS, City is the owner of real property located at 250 N. 21st Street, Lincoln, Nebraska, legally described as Antelope Valley 2nd Addition, Block 3, Lot 1, Lincoln, Lancaster County, Nebraska (the "Premises"); and

WHEREAS, City has constructed the Active Living Center (the "ALC Building") on the Premises consisting of three condominium units that have been established under the condominium structure of the Association's master deed found with the Lancaster County Register of Deeds, Instrument No. 2011043720 on September 7, 2011. All references to ALC Building in this Lease pertain to all portions of the walls, floors, ceilings, improvements or spaces that are not part of the units and are a part of the common elements, not the individual condominium units, as more completely described in the aforementioned master deed; and

WHEREAS, the ALC Building is beneficial to City of Lincoln by offering office space for the Community Health Endowment, an agency of City; a meeting space adjacent to City trails and recreation in Antelope Valley; and a potential retail space connected with health and wellness that the public could enjoy; and

WHEREAS, the Association desires to lease from City and City desires to lease to the Association the Premises for use of the ALC Building in accordance with the terms and conditions set forth below; and

NOW, THEREFORE, in consideration of the covenants and agreements hereinafter set forth herein, it is agreed by and between the parties as follows:

1. **Initial Term.** The Initial Term of this Lease shall be for a period of thirty (30) years to commence on March 1, 2013 (the "Commencement Date"), and shall continue until February 28, 2043 (the "Termination Date"), at which time the Lease shall terminate, unless sooner terminated or extended as provided herein. The Lease may be renewed for two (2) additional terms of ten (10) years each on the terms provided herein upon written notice by the Association of intent to renew. Additional renewals of ten (10) years each may be negotiated upon mutual agreement of the parties. Association agrees to notify said City in writing of Association's desire to exercise its renewal option at least sixty (60) days prior to the Termination Date of the Initial Term or any Renewal Term.

2. **Use.** City and Association acknowledge and agree that City has constructed the ALC Building and other improvements on, under and over the Premises as described above. City agrees that the Association may use the ALC Building and the other improvements on the Premises as provided herein and in the master deed. Association shall, at its own expense, furnish all materials, supplies and assistance required for operation of the ALC Building, including any maintenance, repairs and utilities. City shall not be responsible for any expenses, repairs, or utilities needed for daily operation of the ALC Building.

4. **Rent.**

A. **Fixed Rent.** Association shall pay to City as an annual fixed rent for the Premises the sum of One and no/100s Dollar (\$1.00) each year. Payment of the fixed rent for the first year shall be delivered by Association to City with the execution of the Lease. Thereafter annual installments shall be paid without notice or demand as provided herein on the first (1st) day of March of each the years during the Initial Term.

B. **Additional Rent, Taxes, and Hazard Insurance.** Commencing on the possession of the ALC Building and continuing on a yearly basis, the Association shall pay to City as additional rent all real estate taxes on the Premises, if any, including the ALC Building and other improvements and/or assessment affecting the Premises for such year and any annual hazard and flood insurance premiums as determined by City..

5. **Construction of Improvements.**

A. **Construction Work.** All of Association's plans and specifications for improvements or renovations to the Premises or ALC Building must be approved by City in advance, which approval shall not be reasonably withheld. Association shall cause any contractor that performs all or any part of the construction work for the ALC Building or any other improvements to take all reasonable steps to avoid excessive dust, rubble or odors from the Premises. The work shall be performed in accordance with all applicable legal requirements. The work shall also be performed in a good and workmanlike manner and in accordance with good construction practices. Association shall have the right to construct additional improvements to the Premises (all of which shall be considered to be the property of Association during the term of this Lease and shall be property of City as of the date of termination of this Lease without any requirement of compensation to Association) and to make all alterations or additions thereto and to remove, remodel, demolish, and rebuild the same provided City approves the same in writing. The cost of all alterations or additions shall be paid by Association.

B. **Inspection by City.** After the date of delivery of possession, City shall have the right to enter the Premises and the ALC Building to inspect it at reasonable times during the course of any subsequent renovation or construction, notwithstanding its right of entry for building code inspections. Any entry shall be subject to the supervision of Association and its construction contractors. Any entry shall be at City's own risk and all entries shall be conducted with due regard for the business activities conducted at the ALC Building and the construction work. No entry shall unreasonably interfere with the business activities conducted at the ALC Building or the progress of the construction work.

C. **Insurance during Construction Period.** Association shall carry builder's risk insurance on a completed value basis with respect to renovations to the ALC Building and any other improvements to the Premises.

D. **Impact Fees and Sales Tax.** Association shall be responsible for any impact fees and sales tax during the construction of renovations to the ALC Building and any improvements to the Premises if it contracts for the construction of the improvements.

6. **Insurance.**

A. Association shall obtain and maintain Commercial Property Insurance that covers the ALC Building and Premises, including the ALC Building's fixtures and equipment. This insurance shall, at a minimum, provide "Special Perils" coverage. The amount insured shall equal the full estimated replacement cost of the Premises and its fixtures and equipment.

B. Association shall maintain General Liability Insurance at its own expense during the term of this Lease, naming and protecting Association and City, its officials, employees and volunteers as insured, against claims for damages resulting from (a) all acts or omissions, (b) bodily injury, including wrongful death, (c) personal injury liability, and (d) property damage which may arise from operations under this Lease whether such operations by Association and Association's employees, or those directly or indirectly employed by Association. This insurance shall be written by an insurance company authorized to do business in the State of Nebraska. Such insurance shall provide protection for replacement from all risks covering all improvements constructed or installed by Association. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:

1. All Acts or Omissions - \$1,000,000 each Occurrence; \$2,000,000 Aggregate; and
2. Bodily Injury/Property Damage - \$1,000,000 each Occurrence; \$2,000,000 Aggregate; and
3. Personal Injury Damage - \$1,000,000 each Occurrence; and
4. Contractual Liability - \$1,000,000 each Occurrence; and
5. Products Liability and Completed Operations - \$1,000,000 each Occurrence; and
6. Medical Expenses (any one person) - \$5,000; and
7. Fire Damage (any one fire) - \$100,000.

C. All of Association's business, personal property and tenant improvements that are located on or about the Premises shall be at Association's risk and City shall not be liable for any loss of or damage done to any such property. Association shall purchase and maintain in force during the Initial Term and Renewal Terms of this Lease, business, contents and personal property insurance insuring Association's business, personal property and tenant improvements located on or about the ALC Building and Premises against loss by fire, theft or other casualty in an amount of their full replacement value, with a waiver of subrogation endorsement in favor of City and its partners, employees, agents and contractees.

D. Prior to taking possession and annually on renewal of the required insurance, Association shall furnish City with a certificate(s) of insurance, executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth above. The City of Lincoln shall be specifically named as an additional insured on the General Liability Insurance. Proof of workers' compensation shall be shown as appropriate. All certificates shall provide for thirty (30) days written notice to City prior to the cancellation, non-renewal, or material change of any insurance referred to therein. Failure of City to demand such certificate or other evidence of full compliance with these insurance requirements or failure of City to identify a deficiency from evidence that is provided shall not be construed as a waiver of Association's obligation to maintain such insurance. Failure to maintain the required insurance may result in termination of this Lease at City's option. If Association fails to maintain the insurance as set forth herein, City shall have the right, but not the obligation, to purchase said insurance at Association's expense. Association shall provide certified copies of all insurance policies required above within ten (10) days of City's written request for said copies. By requiring insurance herein, City does not represent that coverage and limits will necessarily be adequate to protect Association, and such coverage and limits shall not be deemed as a limitation on Association's liability under the indemnities granted to City in this contract. The parties shall convene every ten (10) years of the Lease to evaluate the then current insurance minimums and adjust the limits as appropriate to provide adequate coverage for the improvements, liabilities, and operations of the Association consistent with the insurance industry standards at that time.

E. The personal property in the Premises shall be at the risk of Association only. City shall not be liable for any damage to any property any time in such Premises caused by

steam, electricity, sewage, gas or odors, or from water, rain or snow which may leak into, issue or flow from any part of the Premises of which they are a part, or from any other place or quarter, or for any damages done to property of the Association in moving the same to or from the Premises. Association shall give to City, or its agent, prompt written notice of any accident to or defects in water pipes, gas or warming and cooling apparatus, or any other equipment which shall be remedied with due diligence.

F. Waiver of Subrogation. City and Association hereby waive any recovery of damages against each other (including their employees, officers, directors, agents, or representatives) for any loss or damage to the ALC Building, tenant improvements and betterments, fixtures, equipment, and any other personal property to the extent covered by the commercial property insurance required by this Lease. Association waives all rights against City and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance or by the workers' compensation and employer's liability insurance.

7. **Damage and Destruction.**

A. If the Premises or the ALC Building are damaged by fire or other insured casualty, City will give Association notice of the time which will be needed to repair such damage, as determined by City in its reasonable discretion, and the election which City has made according to this paragraph. Such notice will be given before the thirtieth (30th) day (hereinafter referred to as the "notice date") after the fire or other insured casualty.

B. If the Premises or Property are damaged by fire or other casualty to an extent which may be repaired within one (1) year after the fire or other casualty, Association will repair the damage and diligently pursue the completion of such repair. In that event this Lease will continue in full force and effect except that the fixed rent shall be abated on a pro rata basis from the date of the fire or other insured casualty until the date of the completion of such repairs based on the rentable area of the Premises the use of which Association is deprived during the repair period.

C. If the Premises or the Property are damaged by fire or other casualty to an extent which may not be repaired within one (1) year after the fire or other casualty, then (i) City may terminate this Lease as of the date of such damage by written notice given to Association not later than the thirtieth (30th) day after the fire or other casualty, or (ii) Association may terminate this Lease effective with the date of such damage by written notice given to City not later than the thirtieth (30th) day after the fire or other casualty. If neither City nor Association so elects to terminate this Lease, Association will repair the ALC Building and Premises, including the improvements, and fixed rent will be abated on a pro rata basis during the repair period based on the rentable area of the portion of the Premises the use of which Association is deprived during the repair period.

D. If the proceeds of insurance are insufficient to pay for the repair of any damage to the ALC Building or the Premises, City will have the option to terminate this Lease as of the date of such casualty by written notice to Association not later than thirty (30) days following the fire or other casualty.

8. **Expenses.**

A. Maintenance and Repair. Association, by pro rata share by the unit owners, shall pay all expenses of every kind and nature whatsoever attributable to the Premises, commencing on possession of the ALC Building by the Association or individual unit owners and continuing during the Initial Term of this Lease and any Renewal Terms, including, but not limited to the

following: all repairs to and maintenance of the Premises, the ALC Building and all improvements and systems placed on the Premises by Association. Repair and upkeep of systems also means replacement with a similar or better system if the present system is no longer working or it is beyond repair.

B. Utilities. Each unit owner of the Association for its own unit and the Association for all common elements shall pay all utility charges, including gas, electricity, telephone, garbage removal, cable and other services supplied to the Premises which are separately metered or billed, including any connection charges associated therewith commencing on the possession of the ALC Building even if such costs accrued prior to execution of the Lease.

9. Condition of the Property. By taking possession of the Premises, Association accepts the Premises in its then current "as is" condition and acknowledges that the Premises were and are in good and satisfactory condition at the time Association obtains possession of the Premises. City makes no representation or warranty as to the absence or presence of fungus or mold on the Premises. City is not responsible to make any improvements to the Premises. Association shall, at all times, keep the Premises in good repair and shall also keep the same in a clean, sanitary and safe condition and in compliance with all building codes and regulations and all health, safety and police regulations in force, and Association shall not store any material outside the ALC Building. Association shall cause all papers, rubbish, empty containers, garbage and other trash accumulated to be picked up and placed in suitable trash and garbage containers, which containers shall be kept in a clean and sanitary condition. City shall provide snow removal for the walks and parking areas adjacent to and connecting to the ALC Building. City shall also provide landscaping, maintenance and irrigation of the grounds of the Premises, although additional decorative landscaping requested by the Association shall be at the expense of the Association. The parties may negotiate an assessment or arrangement for additional care of such decorative landscaping by City. Additional maintenance of the ALC Building by City may be negotiated by the parties in writing and incorporated as an addendum to this Lease.

10. Default.

A. On the occurrence of any of the following: (i) If taxes, assessments, or other payment from the Association to City shall be and remain unpaid in whole or part for more than sixty (60) days after it is due and payable; (ii) if the Association shall violate any of the other covenants, agreements, stipulations, or conditions herein, and such violation or default shall continue for a period of thirty (30) days after written notice from City to Association of such violation or default; (iii) if the Association shall be adjudged bankrupt or file a petition in bankruptcy or for any arrangements under the Bankruptcy Code or become insolvent or have appointed a Receiver of its property; or (iv) if Association shall vacate or abandon the Premises, then City may without demand and notice terminate this Lease and re-enter the Premises with or without process of law using such force as may be necessary to remove all persons or chattels therefrom, and City shall not be liable for damage by reason of such re-entry or forfeiture and City can take any other action available to it under law. Notwithstanding re-entry by City or termination of this Lease, the liability of the Association for the rent or other costs provided for herein shall not be relinquished or extinguished for the balance of the term of this Lease.

B. The parties agree that if there are any chattels or personal property of Association in the Premises when City enters upon the Premises, City shall give Association ten (10) days to remove the same. If they are not removed, then City may remove the same to a public warehouse or to a place selected by City, to be stored at Association's expense. City will notify Association as to the address where the property is being stored.

C. If more than one individual or party signs this Lease as Association, then all such signers will be jointly and severally liable for all Lease obligations contained herein.

D. In addition to any other actions authorized herein on the occurrence of an event of default, City shall be entitled to declare all rents and any advancements made for the benefit of Association which are due or contemplated to become due under this Lease to be immediately due and payable and Association shall become immediately liable for all such amounts.

11. **Liens.** Association hereby covenants and agrees that during the term of this Lease, Association shall pay for all labor performed, and materials used by or furnished to the Association or claimed to be furnished to Association or to any contractor employed by Association and shall hold City and the Premises harmless and free from any lien or claim therefor. In the event any Contractor's, Mechanic's or Materialman's Lien shall be placed on City's interest, Association shall take all steps necessary to see that it is removed within thirty (30) days of its being filed; however, Association may contest such lien provided that Association first posts a surety bond in favor of and insuring City, in an amount sufficient to remove the lien pursuant to the terms of the Nebraska Lien Laws.

12. **Requirements of Law.** Association shall, at its expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directions, rules and regulations of all governmental authorities having or claiming jurisdiction, directly or indirectly, over the Premises, including, but not limited to zoning, parking, the federal Occupation Safety and Health Act, the Americans with Disability Act, or similar federal, state and local requirements pertaining to Association's use of the Premises, whether the same are in force at the commencement of this Lease or may in the future be passed, enacted or directed. Association shall also procure each and every permit, license, certificate or other authorization required in connection with the lawful and proper construction and use of the Premises, the ALC Building, and any improvements or any part thereof, as now or hereafter constituted.

13. **Indemnification.** Association agrees to indemnify, save, hold harmless and defend City against any liability for damages from and against claims, damages, losses and expenses, including but not limited to attorney's fees and consequential damages, to any person or property in or about the Premises that results in any claim for damage whatsoever, including without limitation, any bodily injury, sickness, disease, death, or any injury to or destruction of tangible or intangible property, including any loss of use resulting therefrom that is caused in whole or in part by the intentional or negligent act or omission of Association, or anyone for whose acts any of them may be liable. City shall not be liable to Association, its agent, employees, representatives, customers, members, unit owners, or invitees for any personal injury, death or damage including consequential damages to property caused by theft, burglary, water, gas, electricity, fire, paint fumes or for any other cause occurring on or about the Premises. All property kept, stored, or maintained on the Premises shall be so kept, stored, or maintained at the sole risk of the Association. This paragraph will not require Association to indemnify or hold harmless City for any losses, claims, damages, and expenses arising out of or resulting from the sole negligence of City. City does not waive its governmental immunity by entering into this Lease and fully retains all immunities and defenses provided by law. This paragraph survives termination of this Lease.

14. **Condemnation.** If the whole of the Premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease on the part

so taken from the date of possession. If any portion of the ALC Building is taken, then Association may terminate this Lease by written notice to City not later than thirty (30) days after the taking, or Association may continue in possession of the remainder as per the original terms of this Lease. All damages awarded for such taking attributable to the land shall be exclusive property of City. Association shall be entitled to seek a separate award of damages for the loss of its common interest, and unit owners shall be entitled to the same for individual units.

15. **Surrender.** On the Termination Date, at the end of the Renewal Terms, or on the sooner termination thereof, Association shall peacefully surrender the Premises in good condition and repair, consistent with Association's duties to make repairs as provided within the Lease. On or before the date of termination, Association shall, at its expense, remove all of its equipment from the Premises, and any property not removed shall be deemed abandoned. All alterations, additions, and fixtures (including but not limited to any of part of the ALC Building, its HVAC, electrical, plumbing, sprinkler, fire detection, lighting fixtures and systems) other than Association's equipment, which have been made or installed by Association on the Premises shall remain as City's property and shall be surrendered with the Premises as a part thereof. If the Premises are not surrendered at the Termination Date, at the end of the Renewal Terms, or the sooner termination thereof, Association shall indemnify City against any loss or liability resulting from delays by Association in so surrendering the Premises, including without limitation, claims made by any succeeding Association founded on such delay. The Association shall promptly surrender all keys for the Premises to City and shall inform City of all lock and safe combinations. The provisions of this paragraph shall survive the termination of this Lease. If Association remains in possession after the termination of the Lease without the written consent of City, Association shall be deemed to be a trespasser.

16. **Environmental Laws.**

A. As used herein, the term "Hazardous Material" means any "hazardous substances", "pollutants", "hazardous waste", or "toxic materials" as defined by the Comprehensive Environmental Resource Conservation and Recovery Act of 1989 ("CERCLA"), 42 U.S.C. §§ 9601 et seq., as amended, Resource Conservation and Recovery Act of 1976 ("RCRA"), 42 U.S.C. §§ 6901 et seq., as amended, the Toxic Substance Control Act (or any regulations promulgated under the foregoing) or any other present or future federal state or local law, ordinance, rules or regulation, including without limitation extremely flammable substances, explosives, radioactive materials, oil, petroleum or petroleum products or hazardous substances, and any substance which is or becomes regulated by any federal, state or local governmental authority.

B. Association will not store, use or dispose of any Hazardous Material or any hazardous, toxic, corrosive, explosive, reactive or radioactive matter in, or about the leased Premises or Property. At all times during the term of this Lease, Association shall comply with all environmental laws and permitting requirements impacting the Premises. Association hereby agrees that it shall be fully liable for all costs and expenses related to its use, storage and disposal of Hazardous Material kept on the Premises by Association, and the Association shall give immediate notice to City of any violation or potential violation of the provisions of this paragraph. Association shall defend, indemnify and hold harmless City and its directors, officers, partners, agents or employees from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses (including, without limitation, attorney and consultant fees, court costs and litigation expenses) of whatever kind or nature, known or unknown, contingent or otherwise, arising out of or in any way related to (i) the presence,

disposal, release, or threatened release of any such Hazardous Material which is on, from, or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Material; (iii) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Material; and/or (iv) any violation of any laws applicable thereto. Upon expiration or sooner termination of this Lease, Association covenants to turn over possession of the Premises to City in a condition that fully complies with all federal, state, and local environmental statutes, laws, rules, and regulations and shall remove, at the Association's sole cost and expense, all Hazardous Materials brought upon, stored, used, generated, or released into the environment during the term of the Lease by Association and still located on the Premises. The provisions of this paragraph shall be in addition to any other obligations and liabilities Association may have to City at law or equity and shall survive the transactions contemplated herein and shall survive the termination of this Lease.

17. **Right to Inspect During Term of Lease.** City or its authorized agent shall have the right to enter any portion of the Premises at all reasonable times during the term of this Lease to view the same provided twenty-four (24) hours notice is given to ALC, and to ascertain if the terms and conditions of this Lease are being complied with by Association. City may show the Premises to prospective tenants at any time during normal business hours. Association shall be subject to audit per Lincoln Municipal Code, Chapter 4.66 and shall make available to a contract auditor copies of all financial and performance related records and materials germane to this Lease, as allowed by law.

18. **Assignment, Subletting or Encumbrances of Leasehold Estate by Association.**

A. **Assignment.** Association's interest herein may not be assigned to any person without City's prior written consent, which such written consent may not be unreasonably delayed, denied, or conditioned. No assignment shall be valid unless the assignor gives notice to City of the assignment and of the name and address of the assignee and a duplicate original of the instrument of assignment. No assignment shall be valid unless the assignee assumes all of the Association's obligations under this Lease. This clause shall not prevent Association from making an assignment for security purposes only.

B. **Subletting.** Association's interest herein may not be sublet to any person without City's prior written consent, which such written consent may not be unreasonably delayed, denied, or conditioned.

C. **Encumbrances.** Association and its members may encumber its leasehold interest under this Lease by mortgage or deed of trust to a bank, savings and loan, insurance company or other party ("Lender") without the consent of City. The right granted hereunder shall be continuing and shall not be exhausted by a single exercise. Each right and privilege of Association under this Lease shall inure to the benefit of any Lender and such Lender may perform any of Association's obligations on Association's behalf. Performance by a Lender shall be deemed to be performance by Association insofar as City is concerned. In the event any mortgage or deed of trust is foreclosed, the foreclosing Lender may succeed to the Association's interest under this Lease in accordance with the terms hereof.

19. **Memorandum of Lease.** On execution of this Lease, a memorandum hereof, which memorandum shall be in the same form as Exhibit A attached hereto, shall be filed in the office of the Register of Deeds for Lancaster County, Nebraska.

20. **Waiver of Breach, not Waiver of Subsequent Breaches.** No breach of any lease term by Association shall be considered waived by City by acceptance of rent, or conduct or inaction, express or implied.

21. **Enjoyment of Premises.** City covenants that City has full authority to execute this Lease and that on the Association faithfully performing the terms, covenants and conditions hereof, including the prompt payment of the rent, Association shall and may quietly and peacefully have, hold and enjoy the leased Premises during the Initial Term and any Renewal Terms hereof, notwithstanding any early termination under the terms provided herein.

22. **Sign Criteria.** Association shall not display or erect any lettering, sign, advertisement, or awning in or on the outside of the ALC Building without the prior written consent of City. Association shall not erect, place or allow any sign, advertising matter, stand, booth, or showcase in or upon the doorsteps, vestibules, outside walls, outside windows or pavements of the ALC Building without the prior written consent of City. Association may (a) keep and maintain all approved or those signs already erected at the time of execution of this Lease throughout the term of this Lease, and (b) replace any or all approved signs with new signs of similar content when such replacement is warranted in Association's sole discretion, provided Association shall not erect, install, or replace any approved sign in violation of any applicable law, ordinance, rule or regulation of City of Lincoln, Nebraska or any other governmental agency. City shall not place any signs on the Premises without the prior consent of Association, which consent shall not unreasonably be withheld.

23. **Time is of the Essence.** It is hereby agreed that time is of the essence of this Lease and all provisions herein relating thereto shall be strictly construed.

24. **Binding on Heirs and Assigns.** The terms hereof shall bind and benefit the heirs, executors, administrators, successors, and assigns of City and Association, including the individual members of the Association and unit owners or tenants, and shall run with the land.

25. **Notification.** All notices given hereunder shall be in writing, mailed by United States certified mail, return receipt requested or by email with proof of receipt as furnished in writing to the other party. Said notices will be sent to City as follows: City of Lincoln, Attn: City Attorney, 555 S. 10th Street, Suite 300, Lincoln, NE 68508 or at such other address as City may hereafter furnish by written notice to Association. Said notices will be sent to Association as follows: Lori Siebel, 250 N. 21st Street, Lincoln, NE 68508 or at such other address as Association may hereafter furnish by written notice to City.

26. **Modification of Lease.** No modification of this Lease shall be effective unless it is in writing and is signed by the Association and City or their authorized representatives. City's authorized representatives shall consist solely of the Mayor. No other person shall be authorized to make any modification to this Lease or any of its terms on behalf of City.

27. **Fair Employment and Treatment.** Association and anyone acting by virtue of this Lease shall not discriminate against any employee (or applicant for employment) with respect to hire, tenure, compensation, terms, advancement potential, conditions, or privileges of employment, because of such person's race, color, religion, sex, disability, national origin, ancestry, age, or marital status pursuant to the requirements of Lincoln Municipal Code Chapter 11.08, and Neb. Rev. Stat. § 48-1122, as amended, nor shall Association or anyone else, in conducting the business covered by this Lease, discriminate against any patrons of said business or against anyone else, because of such person's race, color, religion, sex, national origin, ancestry, disability or creed.

28. **Americans with Disabilities Act (ADA).** Association shall comply with the Americans with Disabilities Act. Association shall take all reasonable steps to provide services for individuals with disabilities as required by the Act. Association shall defend, indemnify, protect and hold harmless City and all the officers, employees, and agents of City against any and all claims, demands, losses, actions or causes of action of whatsoever kind, arising or resulting from the Association's failure to comply with and fulfill the requirements of the ADA.

29. **Fair Labor Standards.** Association shall maintain Fair Labor Standards in the performance of this Lease, as required by Chapter 73, Nebraska Revised Statutes, as amended.

30. **Miscellaneous.**

A. The captions of this Lease are for convenience only and are not to be construed as part of this Lease and shall not be construed as defining or limiting in any way the scope or intent of the provisions hereof.

B. If any term or provision of this Lease shall to any extent be held invalid or unenforceable, the remaining terms and provisions shall not be affected thereby, but each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

C. This Lease shall be construed and enforced in accordance with the laws of the State of Nebraska.

D. All oral negotiations between the parties are merged herein. There are no oral covenants or agreements made by either party hereto except as expressly set forth in writing herein. This Lease contains the entire understanding of the parties hereto with respect to the transactions contemplated hereby and supersedes all prior agreements and understandings between the parties with respect to such subject matter.

E. Nothing in this Lease shall be interpreted as creating a partnership, joint venture or relationship of principal and agent between the parties.

F. All payments to be made under this Lease shall be made without notice or demand, unless otherwise provided herein.

G. The submission of the proposed lease to Association for examination or consideration does not constitute an offer to lease the Premises, and the proposed lease shall become effective only upon execution, delivery and acceptance thereof by City and Association.

H. No right or remedy given in this Lease to City or Association is intended to be exclusive of any other right or remedy hereof provided by law. Each right and each remedy shall be cumulative and in addition to every other right or remedy given in this Lease or now or hereafter existing at law or in equity or by statute.

I. This Agreement may be executed in one or more counterparts, all of which together shall be one instrument and be considered duplicate originals.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed the day and year first above written.

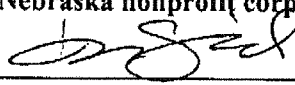
ATTEST:

CITY OF LINCOLN, NEBRASKA
A Municipal Corporation

City Clerk

Chris Beutler, Mayor

**ACTIVE LIVING CENTER
CONDOMINIUM ASSOCIATION,
a Nebraska nonprofit corporation**



President

Secretary

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CONDOMINIUM ASSOCIATION,
a Nebraska nonprofit corporation**

President



Secretary

EXHIBIT A: MEMORANDUM OF LEASE

KNOW ALL MEN BY THESE PRESENTS that City of Lincoln, Nebraska ("City") and Active Living Center Condominium Association ("Association") have entered into a ground lease ("Lease") by which the City, as owner of property located at 250 N. 21st Street, Lincoln, Nebraska, legally described as Antelope Valley 2nd Addition, Block 3, Lot 1, Lincoln, Lancaster County, Nebraska ("Premises"), has agreed to lease to the Association the Premises for use connected with the Active Living Center building constructed thereon upon the terms provided in the Lease.

The term of said Lease commenced on _____, 20____, and shall terminate on _____, 20____. The Lease may be renewed for such additional terms in writing as provided therein.

This memorandum is not a complete summary of the terms of the Lease. The terms of the transaction referred to herein are contained in the Lease. This document is intended only to provide record notice of the Lease referred to herein. Provisions of this Memorandum shall not be used in interpreting the provisions of the Lease. In the event of a conflict between this Memorandum and the unrecorded Lease, the unrecorded Lease shall control.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of the _____ day of _____, 20____.

ATTEST:

CITY OF LINCOLN, NEBRASKA
A Municipal Corporation

City Clerk

Chris Beutler, Mayor

**ACTIVE LIVING CENTER
CONDOMINIUM ASSOCIATION,
a Nebraska nonprofit corporation**

President

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me this ____ day of _____, 20____ by Chris Beutler, the Mayor of City of Lincoln, on behalf of City.

(S E A L)

Notary Public

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged by me this ____ day of _____, 20__
by Lori Seibel, President of the Active Living Center Condominium Association on behalf of
said organization.

(S E A L)

Notary Public